

*Modernizing the Michigan  
Telecommunications Act*

House Bill 4314

State Rep. Ken Horn

# *Modernizing the Michigan Telecommunications Act*

**Being competitive means rethinking  
the way we do business in Michigan  
and keeping up with the latest  
technologies in communications.**

## *Modernizing the Michigan Telecommunications Act*

- In 2005, under the leadership of Chairman Nofs, the Michigan Legislature updated portions of the Michigan Telecommunications Act (MTA), sending the signal to the rest of the nation that we were serious about creating jobs and luring investment dollars.
- The update made Michigan a national leader in telecommunications growth and created significant telecommunications investment.

## *Modernizing the Michigan Telecommunications Act*

**Six years later ...**

- Technology has changed.
- The way small business communicates has changed.
- The way our families communicate has changed.
- Michigan's rules on traditional telephone service need to change, as well.

## *Modernizing the Michigan Telecommunications Act*

- With technology moving forward at lightening speed, Michigan is beginning to lag slightly behind other states.
- Indiana, Ohio and Illinois – are assuming the leadership role we once held and are reaping the rewards, through investment and economic growth.
- For the Legislature to play its part in Michigan's economic turn-around, and to regain our leadership role, it is critical to modernize the MTA; particularly as Michigan strives to expand Broadband capability.

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- House Bill 4314 was introduced on Feb. 22.
- Members of the House Energy and Technology Committee held several hearings for testimony from interested parties and national experts who travelled to Michigan to testify.
- With the vice chair and minority vice chair, I held multiple meetings with the groups involved to address questions, improve the original bill, review amendments, include additional consumer and wholesale protections and build a consensus for passage.
- On April 26, the House passed HB 4314 102-6.

HB 4314:

## A 21ST CENTURY TELECOMMUNICATIONS ACT

### This crucial reform maintains important consumer protections:

- Protects 9-1-1 service.
- Provides shut-off protection for active duty members of our military.
- Provides shut-off protection for the deaf, hard of hearing and speech-impaired.
- Provides for a state-administered program giving substantial discounts to low-income customers.

HB 4314:

## A 21ST CENTURY TELECOMMUNICATIONS ACT

In addition to the previous protections, HB 4314 continues these services:

- ▶ 2-1-1 dialing to reach community resources and other information.
- ▶ Maintains MPSC authority to resolve consumer complaints over basic local exchange services.
- ▶ Strict consequences for practices known as “slamming” and “cramming”.

HB 4314:

## A 21ST CENTURY TELECOMMUNICATIONS ACT

In addition to consumer protections, HB 4314 maintains protections  
for carrier to carrier relations:

- ▶ Provides procedures for complaints, including emergency complaints, and alternative dispute resolution.
- ▶ Maintains MPSC authority to award costs for frivolous litigation.
- ▶ Maintains the MPSC's authority to license carriers.
- ▶ Sharpens the MPSC's authority to handle carrier-to-carrier matters, such as arbitrating interconnection agreements and resolving disputes under those agreements.

HB 4314:

## A 21<sup>ST</sup> CENTURY TELECOMMUNICATIONS ACT

In addition to consumer protections, HB 4314 maintains protections for carrier to carrier relations:

- ▶ Protects speed of connection to 911.
- ▶ Provides protections for proprietary information.
- ▶ Keeps the access restructuring reforms adopted in 2009.
- ▶ Keeps MPSC authority over important unbundling, resale and interconnection matters.
- ▶ Maintains the MPSC's authority to determine carrier-to-carrier costs, where appropriate.

HB 4314:

## A 21ST CENTURY TELECOMMUNICATIONS ACT

### This crucial reform eliminates outdated regulations:

- Cleans regulatory “underbrush” by removing regulations that are duplicative or inconsistent with federal requirements or other state statutes.
- Gives Michigan consumers the option to receive a white pages directory if they want it and ends the costly, wasteful requirement to automatically deliver a copy to all customers.
- Ends the government mandate to offer a price-controlled plan called Primary Basic Local Exchange Service.

HB 4314:  
A 21ST CENTURY TELECOMMUNICATIONS ACT

**This crucial reform eliminates outdated regulations:**

- Where newer technology and service options are available for consumers, removes the monopoly-era restrictions on a provider's ability to no longer offer basic local exchange or toll services.
- Applies a sunset to current Service Quality Rulemaking Regulations by 6-30-2011; as supported by a recent Attorney General's letter.
- This bill also makes updates to the Act correcting simple technical errors in the current law.

HB 4314:

## A 21ST CENTURY TELECOMMUNICATIONS ACT

### House Bill 4314

Six years ago, you and our colleagues looked forward and updated the MTA.

- **Reforms** our government by eliminating and updating outdated regulations;
- **Protects** consumers;
- **Serves** customers by fostering innovation and invention;
- **Attracts** investment to our state;
- **Makes** Michigan competitive with our neighboring states.

It's time to update the law again.